

SENATE BILL NO. 167

INTRODUCED BY K. BALES

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A BILL FOR AN ACT ENTITLED: "AN ACT DEPOSITING COAL SEVERANCE TAX PROCEEDS THAT WOULD BE DEPOSITED IN THE COAL SEVERANCE TAX PERMANENT FUND IN THE STATE GENERAL FUND FOR THE ENSUING BIENNIUM; AMENDING SECTION 17-5-703, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 17-5-703, MCA, is amended to read:

"17-5-703. (Temporary) Coal severance tax trust funds. (1) The trust established under Article IX, section 5, of the Montana constitution is composed of the following funds:

- (a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal severance tax must be deposited;
- (b) a treasure state endowment fund;
- (c) a treasure state endowment regional water system fund;
- (d) a coal severance tax permanent fund;
- (e) a coal severance tax income fund; and
- (f) a coal severance tax school bond contingency loan fund.

(2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet all principal and interest payments on bonds payable from the coal severance tax bond fund during the next 12 months and retain that amount in the coal severance tax bond fund.

(b) The amount in the coal severance tax bond fund in excess of the amount required in subsection (2)(a) must be transferred from that fund as provided in subsections (3) through (5).

(3) (a) On January 21, 1992, and continuing as long as any school district bonds secured by state loans under 20-9-466 are outstanding, the state treasurer shall from time to time and as provided in subsection (3)(b) transfer from the coal severance tax bond fund to the coal severance tax school bond contingency loan fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.

(b) The state treasurer shall transfer the amount referred to in subsection (3)(a) until and unless the

1 balance in the coal severance tax school bond contingency loan fund is equal to the amount due as principal
2 of and interest on the school district bonds secured by state loans under 20-9-466 during the next following 12
3 months.

4 (4) (a) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall quarterly transfer
5 to the treasure state endowment fund 75% of the amount in the coal severance tax bond fund in excess of the
6 amount that is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred
7 pursuant to subsection (3).

8 (b) Beginning July 1, 1999, and ending June 30, 2013, the state treasurer shall quarterly transfer to the
9 treasure state endowment regional water system fund 25% of the amount in the coal severance tax bond fund
10 in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of amounts
11 that are transferred pursuant to subsection (3).

12 (c) The state treasurer shall monthly transfer from the treasure state endowment fund to the treasure
13 state endowment special revenue account the amount of earnings, excluding unrealized gains and losses,
14 required to meet the obligations of the state that are payable from the account in accordance with 90-6-710.
15 Earnings not transferred to the treasure state endowment special revenue account must be retained in the
16 treasure state endowment fund.

17 (d) The state treasurer shall monthly transfer from the treasure state endowment regional water system
18 fund to the treasure state endowment regional water system special revenue account the amount of earnings,
19 excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the
20 account for regional water systems authorized under 90-6-715. Earnings not transferred to the treasure state
21 endowment regional water system special revenue account must be retained in the treasure state endowment
22 regional water system fund.

23 (5) Any amount in the coal severance tax bond fund in excess of the amount that is specified in
24 subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be
25 deposited in the coal severance tax permanent fund.

26 **17-5-703. (Effective July 1, 2003) Coal severance tax trust funds.** (1) The trust established under
27 Article IX, section 5, of the Montana constitution is composed of the following funds:

28 (a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal
29 severance tax must be deposited;

30 (b) a treasure state endowment fund;

1 (c) a treasure state endowment regional water system fund;

2 (d) a coal severance tax permanent fund;

3 (e) a coal severance tax income fund; and

4 (f) a coal severance tax school bond contingency loan fund.

5 (2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet all
6 principal and interest payments on bonds payable from the coal severance tax bond fund during the next 12
7 months and retain that amount in the coal severance tax bond fund.

8 (b) The amount in the coal severance tax bond fund in excess of the amount required in subsection
9 (2)(a) must be transferred from that fund as provided in subsections (3) through (5).

10 (3) (a) As long as any school district bonds secured by state loans under 20-9-466 are outstanding, the
11 state treasurer shall from time to time and as provided in subsection (3)(b) transfer from the coal severance tax
12 bond fund to the coal severance tax school bond contingency loan fund any amount in the coal severance tax
13 bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.

14 (b) The state treasurer shall transfer the amount referred to in subsection (3)(a) until and unless the
15 balance in the coal severance tax school bond contingency loan fund is equal to the amount due as principal
16 of and interest on the school district bonds secured by state loans under 20-9-466 during the next following 12
17 months.

18 (4) (a) Until June 30, 2013, the state treasurer shall quarterly transfer to the treasure state endowment
19 fund 50% of the amount in the coal severance tax bond fund in excess of the amount that is specified in
20 subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant to subsection
21 (3).

22 (b) Until June 30, 2013, the state treasurer shall quarterly transfer to the treasure state endowment
23 regional water system fund 25% of the amount in the coal severance tax bond fund in excess of the amount that
24 is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant
25 to subsection (3).

26 (c) The state treasurer shall monthly transfer from the treasure state endowment fund to the treasure
27 state endowment special revenue account the amount of earnings, excluding unrealized gains and losses,
28 required to meet the obligations of the state that are payable from the account in accordance with 90-6-710.
29 Earnings not transferred to the treasure state endowment special revenue account must be retained in the
30 treasure state endowment fund.

1 (d) The state treasurer shall monthly transfer from the treasure state endowment regional water system
 2 fund to the treasure state endowment regional water system special revenue account the amount of earnings,
 3 excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the
 4 account for regional water systems authorized under 90-6-715. Earnings not transferred to the treasure state
 5 endowment regional water system special revenue account must be retained in the treasure state endowment
 6 regional water system fund.

7 (5) Any Beginning July 1, 2003, through June 30, 2005, any amount in the coal severance tax bond fund
 8 in excess of the amount that is specified in subsection (2)(a) to be retained in the fund and that is not otherwise
 9 allocated under this section must be deposited in the state general fund. Beginning July 1, 2005, any amount
 10 in the coal severance tax bond fund in excess of the amount that is specified in subsection (2)(a) to be retained
 11 in the fund and that is not otherwise allocated under this section must be deposited in the coal severance tax
 12 permanent fund. (Terminates June 30, 2016--sec. 1, Ch. 70, L. 2001.)

13 **17-5-703. (Effective July 1, 2016) Coal severance tax trust funds.** (1) The trust established under
 14 Article IX, section 5, of the Montana constitution is composed of the following funds:

15 (a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal
 16 severance tax must be deposited;

17 (b) a treasure state endowment fund;

18 (c) a coal severance tax permanent fund;

19 (d) a coal severance tax income fund; and

20 (e) a coal severance tax school bond contingency loan fund.

21 (2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet all
 22 principal and interest payments on bonds payable from the coal severance tax bond fund during the next 12
 23 months and retain that amount in the coal severance tax bond fund.

24 (b) The amount in the coal severance tax bond fund in excess of the amount required in subsection
 25 (2)(a) must be transferred from that fund as provided in subsections (3) through (5).

26 (3) (a) As long as any school district bonds secured by state loans under 20-9-466 are outstanding, the
 27 state treasurer shall from time to time and as provided in subsection (3)(b) transfer from the coal severance tax
 28 bond fund to the coal severance tax school bond contingency loan fund any amount in the coal severance tax
 29 bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.

30 (b) The state treasurer shall transfer the amount referred to in subsection (3)(a) until and unless the

1 balance in the coal severance tax school bond contingency loan fund is equal to the amount due as principal
2 of and interest on the school district bonds secured by state loans under 20-9-466 during the next following 12
3 months.

4 (4) (a) Until June 30, 2013, the state treasurer shall quarterly transfer to the treasure state endowment
5 fund 50% of the amount in the coal severance tax bond fund in excess of the amount that is specified in
6 subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant to subsection
7 (3).

8 (b) The state treasurer shall monthly transfer from the treasure state endowment fund to the treasure
9 state endowment special revenue account the amount of earnings, excluding unrealized gains and losses,
10 required to meet the obligations of the state that are payable from the account in accordance with 90-6-710.
11 Earnings not transferred to the treasure state endowment special revenue account must be retained in the
12 treasure state endowment fund.

13 (5) Any amount in the coal severance tax bond fund in excess of the amount that is specified in
14 subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be
15 deposited in the coal severance tax permanent fund."
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17 **NEW SECTION. Section 2. Three-fourths vote required.** Because [section 1] diverts money from
18 the coal severance tax trust fund for purposes of appropriation, Article IX, section 5, of the Montana constitution
19 requires a vote of three-fourths of the members of each house of the legislature for passage.
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21 **NEW SECTION. Section 3. Effective date.** [This act] is effective July 1, 2003.
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